October 6, 2003



Securities and Exchange Commission

Office of International Finance 450 - 5th Street NW Washington, D.C. 20549

FILE #82-1601

Dear Sir/Madam:

Re: USA Video Interactive Corp. (the "Company")

News Release

Enclosed for your reference is a copy of the Company's recent News Release, which was delivered to an acceptable dissemination service with instructions for "Immediate Release".

Yours truly,

USA VIDEO INTERACTIVE CORP.

"Anton (Tony) J. Drescher"

Per:

Anton (Tony) J. Drescher

Director

PROCESSED

OCT 2 9 2003

THOMSON

/cg Encl. DW 10/43



USA Video Interactive nears completion of MediaSentine I^{TM} DRM technology

October 6, 2003 - OLD LYME, CONNECTICUT - USA Video Interactive Corp. (OTCBB: USVO; TSX: US; BSE/Frankfurt: USF; http://www.usvo.com)

USA Video Interactive Corporation (USVO) is pleased to announce that, after two years of core software development, it plans to release MediaSentinel[™], its proprietary patent-pending core Digital Rights Management technology (DRM), toward the end of 2003.

MediaSentinelTM is a digital watermark based technology that deters video content piracy. MediaSentinelTM embeds an encrypted identifier into original authorized video content, which is preserved in any unauthorized copies.

Attributes of MediaSentinelTM technology:

- Invisible to human perception
- Does not interfere with the content
- Virtually impossible for pirates to remove without rendering the video content useless
- Enables pirated copies to be traced back to the original source

Initial products to be deployed utilizing the MediaSentinelTM technology are a Media Encoder (fingerprint generator), a Decoder (fingerprint reader) and a Software Developer's Kit (SDK) which will enable licensees, serving end user markets, to implement MediaSentinelTM technology within their own products.

Upon final release of MediaSentinelTM, USVO will issue a subsequent announcement, containing further product and technology details.

ON BEHALF OF THE BOARD OF DIRECTORS

"Edwin Molina"

Edwin Molina, President

About USA Video Interactive Corp.

USVO is a developer and supplier of Internet media delivery services, systems, and innovative end-to-end solutions. The Company developed its StreamHQTM architecture to provide a wide range of business customers with value-added media delivery services. USVO holds the pioneering patent for store-and-forward video, filed in 1990 and issued by the United States Patent and Trademark Office on July 14, 1992; it has been cited by at least 165 other patents. USVO holds similar patents in Germany, Canada, England, France, Spain, and Italy. For more information, visit www.usvo.com.

USA Video Interactive Corporate Headquarters Office: 83 Halls Road, Old Lyme, Connecticut, 06371 Telephone (860) 434 - 5535 Facsimile (860) 434 - 5782; Canada Office: 507 - 837 West Hastings Street, Vancouver, BC V6C 3N6. Trading symbol on the OTCBB: USVO; Trading symbol on the TSX Venture Exchange US; Trading symbol on the Berlin and Frankfurt Stock Exchanges: USF. CUSIP 902924208. For more information contact Edwin Molina (860) 434 - 5535; info@usvo.com

The press release may contain forward-looking statements. Actual results may differ materially from those projected in any forward-looking statements. Investors are cautioned that such forward-looking statements involve risk and uncertainties, which may cause actual results to differ from those described.

The TSX Venture Exchange (TSX) has not reviewed and does not accept responsibility for the adequacy or accuracy of this release